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8 Attorneys for Plaintiffs

9 UNITED STATES DISTRICT COURT  
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

12 MICHAEL MOLLOY, on behalf of  
13 himself and those similarly situated,

14 Plaintiffs,

15 v.

16 TRIWIN INC., a foreign corporation,  
17 and TRIWIN GAMES CO., LTD., a  
18 foreign corporation,

19 Defendant.

Case No.

**CLASS ACTION COMPLAINT**

1. **Violation of California's Unfair Competition Law ("UCL")**
2. **Violation of California False Advertising Law ("FAL")**
3. **Violation of the California Consumer Legal Remedies Act ("CLRA")**
4. **Fraud**
5. **Negligent Misrepresentation**

**DEMAND FOR JURY TRIAL**

1 Michael Molloy (“Mr. Molloy”), a citizen of Los Angeles County, hereby  
2 brings this Complaint on behalf of himself and those similarly situated against  
3 Defendant Triwin Inc., a foreign corporation registered in the Cayman Islands and  
4 Triwin Games Co. Ltd., a foreign corporation registered in Hong Kong  
5 (collectively “Defendants”). Plaintiff alleges as follows:

### 6 **INTRODUCTION**

7 1. Defendants develop, distribute, and operate the mobile game Tycoon  
8 Casino (“Game”) that competes in the so-called “social casino” market.

9 2. The Game provides users with virtual slot machines that are played  
10 with virtual gold coins. Users bet the coins and win or lose those coins based on  
11 the randomized outcomes of the Game’s slot machines.

12 3. When users run out of coins – a highly likely outcome – users are  
13 unable to continue playing the Game’s slot machines. At that time, the Game  
14 presents users with prompts encouraging them to purchase more virtual coins in  
15 exchange for real world money to continue their gameplay. The shop where users  
16 are directed to purchase more coins purports to offer significant sales and discounts  
17 for the purchase of virtual coins with misleading coin quantity comparisons.

18 4. The Ninth Circuit has held that earlier versions of Big Fish Casino, a  
19 mobile game that also offers virtual slot machines, “constitutes illegal gambling  
20 under Washington law.” *Kater v. Churchill Downs Inc.*, 886 F.3d 784, 785 (9th  
21 Cir. 2018). The Game here likewise constitutes illegal gambling under California  
22 law.

23 5. This lawsuit is brought on behalf of Plaintiff and those similarly  
24 situated who have had their money taken from the Game’s illegal slot machines  
25 and who have been deceived into making in-game purchases of deceptively  
26 marketed coins in the Game.

27 6. Defendants develop and publish the Game, which is playable on  
28

1 various platforms, including iPhone and Android devices.

2 7. On information and belief, the Games are distributed under developer  
3 agreements with Apple Inc. (“Apple”) and Google, LLC (“Google”).

4 8. On information and belief, Apple and Google are entities  
5 headquartered in California.

6 9. The Game can be downloaded for free from the Apple App Store and  
7 Google Play store. The Game’s simulated slot machines are akin to those found in  
8 real world casinos. The Game gives new players an initial balance of virtual coins  
9 allowing access to gameplay.

10 10. After consumers lose their initial allotment of coins, the Game  
11 attempts to sell those consumers additional coins. Without additional coins,  
12 consumers cannot play the Game’s slot machines.

13 11. Freshly topped off with additional coins, consumers wager to win  
14 more coins in the Game’s slot machines. The coins won by consumers playing the  
15 Game’s slot machines are identical to the coins that are sold in the Game.

16 12. The function of the Game’s coins is to place bets in the Game’s slot  
17 machines to access those games of chance and extend players’ ability to play those  
18 slot machines.

19 13. On information and belief, despite purporting to be a free-to-play  
20 Game, Defendants reap massive profits by selling “in-app” bundles of virtual  
21 coins. Players of the Game make these in-app purchases for the purpose of being  
22 able to continue playing the Game’s slot machines when they lose their coins to  
23 those games of chance.

24 14. In addition to the addictive nature of the slot machines themselves, in  
25 order to induce users to make in-game purchases, in its marketing to consumers at  
26 the time of purchase, the Game advertises sale deals for virtual coins that are false  
27 and misleading. Specifically, the Game’s store provides comparisons to fictitious  
28

1 coin quantities for coin bundles.

2 **The Game Provides Illegal Slot Machines Under California Law**

3 15. By making, operating, giving away and entering into agreements  
4 related to the Game, Defendants have violated California's gambling laws,  
5 including the law prohibiting slot machines. In so doing, Defendants have illegally  
6 profited from thousands of consumers.

7 16. California Penal Code §330b prohibits slot machines. Subsection (a)  
8 states that "[i]s unlawful for any person to manufacture, repair, own, store,  
9 possess, sell, rent, lease, let on shares, lend or give away, transport, or expose for  
10 sale or lease...any slot machine or device, as defined in this section." Cal. PEN  
11 §330b(a).

12 17. Defendants manufacture, repair, own, rent, lease or give away the  
13 Game and its slot machines.

14 18. California Penal Code §330b(a) further provides that "[i]t is unlawful  
15 for any person to make or to permit the making of an agreement with another  
16 person regarding any slot machine or device, by which the user of the slot machine  
17 or device, as a result of the element of hazard or chance or other unpredictable  
18 outcome, may become entitled to receive money, credit, allowance, or other thing  
19 of value or additional chance or right to use the slot machine or device, or to  
20 receive any check, slug, token, or memorandum entitling the holder to receive  
21 money, credit, allowance, or other thing of value."

22 19. On information and belief, Defendants made or permitted the making  
23 of agreements with others regarding the Game, including with Apple, Google and  
24 players of the Game.

25 20. Users of the Game, as a result of the element of chance, may become  
26 entitled to receive virtual coins, which are a credit, allowance or other thing of  
27 value or an additional chance or right to use the Game's slot machines.  
28

1 Specifically, players of the Game’s slot machines receive virtual coins that provide  
2 players with the additional chance or right to continue playing slot machines in the  
3 Game. The slot machines in the Game are purely games of chance and involve no  
4 skill from the players.

5 21. California Penal Code 330b(d) provides: “For purposes of this section,  
6 ‘slot machine or device’ means a machine, apparatus, or device that is adapted, or  
7 may readily be converted, for use in a way that, as a result of the insertion of any  
8 piece of money or coin or other object, or by any other means, the machine or  
9 device is caused to operate or may be operated, and by reason of any element of  
10 hazard or chance or of other outcome of operation unpredictable by him or her, the  
11 user may receive or become entitled to receive any piece of money, credit,  
12 allowance, or thing of value, or additional chance or right to use the slot machine  
13 or device...”

14 22. The Game falls within the definition of slot machine or device under  
15 section 330b(d). Users exchange real money for virtual coins in the Game. The  
16 Game’s slot machines are games of chance in which the user may receive or lose  
17 additional virtual coins. Virtual coins are a thing of value or an additional chance  
18 to use the slot machines in the Game.

19 23. The Ninth Circuit has found that virtual coins similar to those in the  
20 Game constitute a thing of value under Washington’s gambling law: “The virtual  
21 coins, as alleged in the complaint, permit a user to play the casino Game inside the  
22 virtual Big Fish Casino. They are a credit that allows a user to place another wager  
23 or re-spin a slot machine. Without virtual coins, a user is unable to play Big Fish  
24 Casino’s various Game. Thus, if a user runs out of virtual coins and wants to  
25 continue playing Big Fish Casino, she must buy more coins to have the privilege of  
26 playing the game. Likewise, if a user wins coins, the user wins the privilege of  
27 playing Big Fish Casino without charge. In sum, these virtual coins extend the  
28

1 privilege of playing Big Fish Casino.” *Kater v. Churchill Downs Inc.*, 886 F.3d  
2 784, 787 (9th Cir. 2018). The same is true for the Game here.

3 **The Game Engages in False and Misleading Advertising**

4 24. The Game presents false and misleading advertising to induce players  
5 into spending money within the Game.

6 25. The Game’s store where users purchase virtual coins are misleading  
7 by offering for sale a particular coin quantity for a listed price with a comparison to  
8 a lower stricken coin quantity. Consumers reasonably understand the stricken coin  
9 quantity in these advertisements to represent the ordinary or prevailing deal for  
10 coins offered to users of the Game on a regular basis for a reasonably substantial  
11 period of time.

12 26. The stricken coin quantities presented to new users are fictitiously low  
13 and do not represent the ordinary or prevailing deal offered to other users of the  
14 Game on a regular basis.

15 27. In so doing, the Game misleads consumers, particularly new players  
16 to the Games, into believing that the offered sales were providing an outsized value  
17 as compared to the ordinary or prevailing deal offered by the Game. This false  
18 belief was a material consideration for consumers to make in-game purchases and  
19 consumers reasonably relied on that belief in their purchase decision.

20 28. The Federal Trade Commission (“FTC”) describes various forms of  
21 false price comparison schemes as deceptive: “One of the most commonly used  
22 forms of bargain advertising is to offer a reduction from the advertiser’s own  
23 former price for an article. If the former price is the actual, bona fide price at which  
24 the article was offered to the public on a regular basis for a reasonably substantial  
25 period of time, it provides a legitimate basis for the advertising of a price  
26 comparison. Where the former price is genuine, the bargain being advertised is a  
27 true one. If, on the other hand, the former price being advertised is not bona fide  
28

1 but fictitious - for example, where an artificial, inflated price was established for  
2 the purpose of enabling the subsequent offer of a large reduction - the 'bargain'  
3 being advertised is a false one; the purchaser is not receiving the unusual value he  
4 expects." 16 CFR §233.1(a). "The advertiser should be especially careful,  
5 however, in such a case, that the price is one at which the product was openly and  
6 actively offered for sale, for a reasonably substantial period of time, in the recent,  
7 regular course of his business, honestly and in good faith - and, of course, not for  
8 the purpose of establishing a fictitious higher price on which a deceptive  
9 comparison might be based." 16 CFR §233.1(b). "Other illustrations of fictitious  
10 price comparisons could be given. An advertiser might use a price at which he  
11 never offered the article at all; he might feature a price which was not used in the  
12 regular course of business, or which was not used in the recent past but at some  
13 remote period in the past, without making disclosure of that fact; he might use a  
14 price that was not openly offered to the public, or that was not maintained for a  
15 reasonable length of time, but was immediately reduced. 16 CFR §233.1(d).

16  
17 29. California statutory and regulatory law also expressly forbids false  
18 discounted pricing schemes: "No price shall be advertised as a former price of any  
19 advertised thing, unless the alleged former price was the prevailing market price as  
20 above defined within three months next immediately preceding the publication of  
21 the advertisement or unless the date when the alleged former price did prevail is  
22 clearly, exactly and conspicuously stated in the advertisement." Cal. Bus. & Prof.  
23 Code §17501. Section 17501 defines "prevailing market price" as "the worth or  
24 value of any thing advertised...at the time of publication of such advertisement in  
25 the locality wherein the advertisement is published."

26 30. Defendants have control and knowledge over the pricing and  
27 advertisement of coins in the Game and therefore knew, or should reasonably have  
28 known, that its comparative coin quantity advertising and statements regarding sale

1 duration were false, deceptive, misleading, and unlawful.

2 31. Defendants fraudulently concealed from and intentionally failed to  
3 disclose to consumers the truth about its advertised discounts and purported limited  
4 time sales.

5 32. Through this false and deceptive marketing, advertising, and pricing  
6 scheme, Defendants violated California law prohibiting the advertisement of goods  
7 for sale as discounted from false former prices and prohibiting misleading  
8 statements about the existence and amount of price reductions.

9 **PARTIES**

10 33. Plaintiff Michael Molloy is a citizen and resident of Los Angeles  
11 County, California. He downloaded the Game on his iPhone from the Apple App  
12 Store in Los Angeles County. He played the Game in this County. He accessed the  
13 Game's virtual store and saw its false advertising in this County. He was induced  
14 by this false advertising into making an in-game purchase in this County from the  
15 in-game store. He made a purchase from the Game through his Apple iPhone and  
16 Apple payment account.

17 34. On information and belief, Triwin Inc. is a corporation organized and  
18 existing under the laws of the Cayman Islands. On information and belief, Triwin  
19 Inc.'s principal place of business is located at F23 2307, T2 Foresea Life Center,  
20 Xin'an Street, Bao'an District, Shenzhen, China.

21 35. On information and belief, Triwin Games Co., Ltd. is a corporation  
22 organized and existing under the laws of Hong Kong. On information and belief,  
23 Triwin Games Co. Ltd.'s principal place of business is Rm.4B, Kingswell Comm  
24 Tower, 171-173 Lockhart Rd., Wanchai, Hong Kong.

25 36. Upon information and belief and at all times relevant to this  
26 Complaint, Triwin Inc. and Triwin Games Co. Ltd. operated as one company to  
27 market and sell the Game throughout the U.S., including California.  
28



1           37. Upon information and belief and at all times relevant to this  
 2 Complaint: Triwin Inc. and Triwin Games Co., Ltd. were agents, servants,  
 3 employees, co-conspirator, partners, joint venturers, and/or alter ego of each other,  
 4 and were at all times acting within the course and scope of said agency, service,  
 5 employment, conspiracy, partnership and/or joint venture.

6           38. Upon information and belief and at all times relevant to this  
 7 Complaint, Defendants aided and abetted, encouraged and rendered substantial  
 8 assistance in accomplishing the wrongful conduct and their wrongful goals and  
 9 other wrongdoing complained of herein. In taking action, as particularized herein,  
 10 to aid and abet and substantially assist the commission of these wrongful acts and  
 11 other wrongdoings complained of, Defendants acted with an awareness of their  
 12 primary wrongdoing and realized that its conduct would substantially assist the  
 13 accomplishment of the wrongful conduct, wrongful goals, and wrongdoing.

#### 14           **JURISDICTION AND VENUE**

15           39. This Court has jurisdiction over this action under the Class Action  
 16 Fairness Act of 2005. Pursuant to 28 U.S.C. §1332(d)(2), this Court has original  
 17 jurisdiction because the aggregate claims of the putative class members exceed \$5  
 18 million, exclusive of interest and costs, and at least one of the members of the  
 19 proposed classes is a citizen of a different state than Defendants.

20           40. This Court has personal jurisdiction over Defendants, because each  
 21 conducts substantial business and directs its activities into California and this  
 22 District, including activities that form the basis for the claims here, and a  
 23 substantial part of the acts and omissions complained of occurred in this District.

24           41. Plaintiff further alleges, upon information and belief, that the claims  
 25 asserted in this complaint arise out of or are related to Defendants' professional  
 26 and commercial activities within California, and therefore the Defendants are  
 27 subject to the specific jurisdiction of the courts of this state. Specifically,  
 28

1 Defendants publish, advertise, distribute and profit from the Game and directs  
2 activities for this Game through California entities, including Apple and Google.

3 42. On information and belief, Defendants generate the majority of the  
4 Game's revenue through the publishing, distribution and monetization of the Game  
5 through contractual relationships with California entities, Apple and Google.

6 43. Venue is proper in this court because at all relevant times Mr. Molloy  
7 resided in the County of Los Angeles, California and the claims asserted in this  
8 complaint arise out of acts, transactions, and conduct that occurred in whole or in  
9 part within the County of Los Angeles, California.

### 10 **FACTS**

11 44. The proliferation of internet-connected mobile devices has led to the  
12 growth of what are known in the industry as "free-to-play" videogames. The term  
13 is a misnomer. It refers to a model by which the initial download of the game is  
14 free, but companies reap huge profits by selling thousands of "in-app" items that  
15 start at \$0.99 but can quickly escalate to hundreds or even thousands of dollars.

16 45. The in-app purchase model has become particularly attractive to  
17 developers of games of chance (e.g., poker, blackjack, and slot machine mobile  
18 videogames, amongst others), because it allows them to generate huge profits. In  
19 2022, the global social casino game market reached \$6.83 billion and is projected  
20 to grow to \$8.7 billion in 2026.<sup>1</sup>

21  
22  
23 <sup>1</sup> *Global Social Casino Game Market Report 2022-2026 Featuring Caesars*  
24 *Entertainment, Aristocrat Leisure, Zynga, Playtika, Scientific Game Corp and*  
25 *DoubleU Game*, Research and Markets (April 26, 2022), available at:  
26 [https://www.globenewswire.com/en/news-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Game-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Game-Corp-and-DoubleU-Game.html)  
27 [release/2022/04/26/2428795/28124/en/Global-Social-Casino-Game-Market-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Game-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Game-Corp-and-DoubleU-Game.html)  
28 [Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Game-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Game-Corp-and-DoubleU-Game.html)  
[Playtika-Scientific-Game-Corp-and-DoubleU-Game.html](https://www.globenewswire.com/en/news-release/2022/04/26/2428795/28124/en/Global-Social-Casino-Game-Market-Report-2022-2026-Featuring-Caesars-Entertainment-Aristocrat-Leisure-Zynga-Playtika-Scientific-Game-Corp-and-DoubleU-Game.html) (last accessed February  
6, 2023).

1           46. Academics have also studied the socioeconomic effect games that rely  
2 on in-app purchases have on consumers. In one study, the authors compiled several  
3 sources analyzing casino Game and stated that: “[Researchers] found that casino  
4 gamers share many similar sociodemographic characteristics (e.g., employment,  
5 education, income) with online gamblers. Given these similarities, it is perhaps not  
6 surprising that a strong predictor of online gambling is engagement in casino  
7 Game. Putting a dark line under these findings, over half (58.3%) of disordered  
8 gamblers who were seeking treatment stated that social casino Game were their  
9 first experiences with gambling...According to [another study], the purchase of  
10 virtual credits or virtual items makes the activity of casino gaming more similar to  
11 gambling. Thus, micro-transactions may be a crucial predictor in the migration to  
12 online gambling, as these players have now crossed a line by paying to engage in  
13 these activities. Although, only 1–5% of casino gamers make micro-transactions,  
14 those who purchase virtual credits spend an average of \$78. Despite the limited  
15 numbers of social casino gamers purchasing virtual credits, revenues from micro-  
16 transactions account for 60% of all casino gaming revenue. Thus, a significant  
17 amount of revenue is based on players’ desire to purchase virtual credits above and  
18 beyond what is provided to the player in seed credits.” Hyoun S. Kim, Michael J.  
19 A. Wohl, et al., *Do Social Casino Gamers Migrate to Online Gambling? An*  
20 *Assessment of Migration Rate and Potential Predictors*, *Journal of gambling*  
21 *studies / co-sponsored by the National Council on Problem Gambling and Institute*  
22 *for the Study of Gambling and Commercial Gaming* (Nov. 14, 2014), available at  
23 <http://link.springer.com/content/pdf/10.1007%2Fs10899-014-9511-0.pdf> (citations  
24 omitted).  
25

26           47. Many of the players of these social casino games likely have  
27 psychological addictions to playing. See August 1, 2018 letter from Natasha Dow  
28 Schüll, Ph.D. to Washington State Gambling Commission (available at

<https://www.wsgc.wa.gov/sites/default/files/public/news/big-fish/Dr.%20Schull%20Comments.pdf>).

### **Overview of Tycoon Casino**

48. Tycoon Casino is a mobile application casino-style game developed and distributed by Defendants. The game is available on iPhone and Android devices through the Apple App Store and Google Play platforms, respectively.

49. Tycoon Casino was first released in 2018.

50. On information and belief, Tycoon Casino was first developed, published and released by Triwin Games Co., Ltd. in 2018.

51. On information and belief, Triwin Inc. publishes and distributes Tycoon Casino through the Apple App Store.

52. Tycoon Casino provides users with a variety of slot machines on their mobile device in addition to other games of chance. Below is an example of one such slot machine in Tycoon Casino:



53. In order to play the slot machines in Tycoon Casino, users must bet virtual coins, as can be seen at the bottom left in the image above where it says "TOTAL BET." The slot machines in Tycoon Casino require a minimum bet, such that if a user's coin balance is below that minimum, the user cannot play the slot machine. For example, in the slot machine depicted above, the minimum bet

1 allowed is 250,000 coins.

2 54. The slot machines in Tycoon Casino have all the same trappings as  
3 real-world slot machines, including flashing graphics and sound effects. The slot  
4 machines in Tycoon Casino are games of chance. The outcome of any given spin is  
5 random and not dependent on the user's inputs or skills. Indeed, users can set the  
6 slot machines to "auto-spin" for unlimited consecutive spins to reduce or eliminate  
7 the need to interact with the game.

8 55. Users are encouraged by Tycoon Casino to make as large a bet as  
9 possible through various user interfaces.

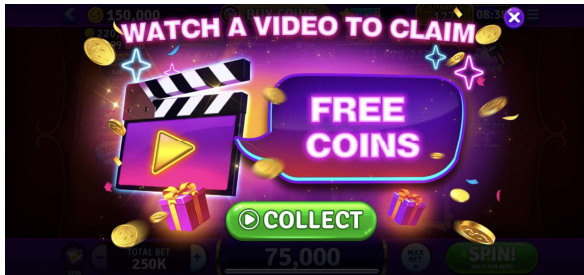
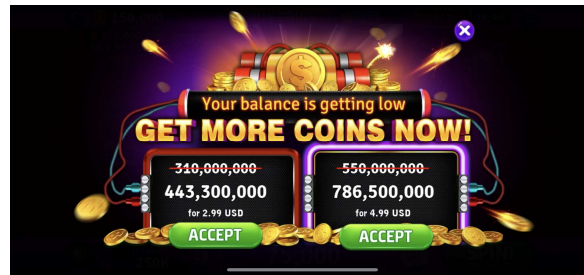
10 56. Users are allotted an amount of coins when they first download and  
11 play the game. They may be awarded more coins through playing the slot machine  
12 games in Tycoon Casino. When a user runs out of coins or attempts to spin a slot  
13 machine for a bet amount exceeding their balance of virtual coins, they are  
14 presented with one or more pop-up advertisements offering the sale of additional  
15 virtual coins in exchange for real world currency and directed to the game's store.  
16

17 57. The coins purchased by a user for real world money is used to extend  
18 their ability to play the slot machines in Tycoon Casino. These purchased virtual  
19 coins are identical to those bet in the slot machines and subject to the chance of  
20 winning or losing of those slot machines.

21 58. When a user attempts to play a slot machine in Tycoon Casino but has  
22 an insufficient quantity of coins, the user is presented with the following sequence  
23 of screens:







21 59. Without obtaining more coins, the user is unable to continue playing.  
22 The coins the user is repeatedly encouraged to purchase are used to extend his or  
23 her gameplay.

24 60. After three screens encouraging a user to purchase more coins for real  
25 world money, a fourth screen offers a user the chance to watch an advertisement to  
26 receive a relatively small amount of coins. The advertisement is often for another  
27 mobile casino game and lasts at least 30 seconds.

28 61. Purchasing coins to avoid viewing advertisements provides value to

the players by allowing for extended uninterrupted play. This value is measurable, for example, but the amount of money Defendants receive from the advertiser.

62. Below is an image of the Tycoon Casino in-game store presented to a new user:



Figure 1

63. The Shop purports to offer coins on “sale” with the user to receive “200% MORE ON FIRST PURCHASE.” At each price point an offered coin quantity is presented above a stricken coin quantity, communicating that the stricken coin quantity is the ordinary, prevailing or standard quantity of coins for each price point offered in Tycoon Casino. For example, the offer nearest the bottom of Figure 1 has 200 million coins stricken with 600 million coins in large and bold font above. A consumer would reasonably understand this to mean that the normal, ordinary, or prevailing quantity of coins for \$1.99 offered by Tycoon Casino is 200 million.

64. This first purchase sale shown in Figure 1 also includes stricken dollar values on the right, with each quantity of coins being offered at \$1.99 and the purported standard prices stricken alongside.

65. After a user makes a first purchase, the shop in Tycoon Casino does

not offer the stricken quantity of coins presented in Figure 1. Instead, the sales continue, albeit at a purported 5% increase of coins instead of 200%:



Figure 2

66. Later that same day, a purported sale offering a 10% increase in coin quantities is in the Tycoon Casino store:



Figure 3

67. The following day, a purported sale offering a 15% increase in coin quantities is in the Tycoon Casino store:



Figure 4



1        68. The 15% sale shown in Figure 4 then persists for more than 3 months  
2 and longer. The stricken chip quantities at each price points shown in Figures 1-4  
3 are therefore fictitious, because they do not truthfully represent the ordinary,  
4 prevailing or standard quantity of coins offered in Tycoon Casino.

5        69. On information and belief, Tycoon Casino does not offer the stricken  
6 coin quantities for the listed prices shown in Figure 1-4 over a 90-day period, if  
7 ever. To the extent the stricken chip quantities are ever offered for the listed prices  
8 points, they are only offered for trivial periods of time. Based on investigation of  
9 counsel over the past year, Tycoon Casino has never, for example, offered  
10 200,000,000 coins for \$1.99 as the strikethroughs in Figures 1-4 suggest. Rather,  
11 Tycoon Casino always offers more than 200,000,000 coins for \$1.99 and the  
12 representation that 200,000,000 coins for \$1.99 is the ordinary or prevailing offer  
13 for coins in Tycoon Casino is false. The same is true for the other coin values and  
14 the other price points.

15        70. The advertising, pricing and quantity of coins in the Game is within  
16 Defendants' knowledge and control.

17        71. Defendants had actual knowledge that the false strikethrough ads and  
18 false limited time sales contained false or misleading misrepresentations as to their  
19 prior values and as to their duration. Defendants designed and promoted these  
20 advertisements while having actual knowledge that these quantitative  
21 representations of sale values were false.

22        72. Defendants promoted these advertisements to create a false sense of  
23 urgency in its players to induce those players into purchasing the coin bundles.  
24 Defendants did so while knowing that the bundles contained quantitative  
25 misrepresentations with respect to the comparative value of the coin quantities  
26 displayed.

27        73. The amount of coins included in a bundle and its comparative value to  
28

1 the stated standard quantity of coins offered at the same price is a material  
2 consideration when a player decides whether to purchase a bundle.

3 74. These pricing and advertising practices reflecting high-pressure fake  
4 sales are patently deceptive. They are intended to mislead customers into believing  
5 that they are getting a bargain by buying virtual coins on sale and at a substantial  
6 and deep discount.

7 **Plaintiff's Experience with Tycoon Casino**

8 75. Mr. Molloy found Tycoon Casino in the Apple App Store. In the  
9 absence of any disclaimers or warnings to the contrary, he reasonably believed  
10 Tycoon Casino complied with the law. Had Mr. Molloy known that Tycoon Casino  
11 was engaged in illegal gambling, he would not have downloaded and began  
12 playing it.

13 76. On or about December 2021, Mr. Molloy entered the Tycoon Casino  
14 shop, and saw a presentation the same or substantially similar to that depicted in  
15 Figure 1. Mr. Molloy reasonably understood that the stricken coin quantities shown  
16 in the shop were the ordinary, normal and prevailing quantity of coins offered by  
17 Tycoon Casino to its users at each price point shown.

18 77. Mr. Molloy purchased his first coin pack from the Tycoon Casino  
19 store priced at \$1.99 on or around January 6, 2022.

20 78. Mr. Molloy's reasonable understanding that the stricken coin  
21 quantities were the ordinary, prevailing or standard quantity of coins offered in  
22 Tycoon Casino was a material factors in his decision to make his in-game  
23 purchases. Mr. Molloy reasonably relied on this understanding in making his  
24 purchase decision, a decision he would not have made had he known the stricken  
25 coin quantities were fictitious.

26 79. Mr. Molloy continued to play Tycoon Casino until he lost all his  
27 coins, at which time he was again prompted to purchase more coins purportedly on  
28

1 sale. Mr. Molloy purchased two additional coins packs priced at \$4.99 on or about  
2 February 12, 2022 to continue playing the Game's slot machines.

3 **The Games Violate California Gambling Laws**

4 80. The Games violate various California gambling laws, including  
5 California Penal Code §330b, which prohibits slot machines.

6 81. California courts have observed that the plain text of this statute sets  
7 forth three key elements: payment, chance, and prize. *See People ex rel. Green v.*  
8 *Grewal*, 61 Cal.4th 544, 564, 189 Cal.Rptr.3d 686, 699, 352 P.3d 275, 286 (2015)  
9 (quoting *Trinkle v. Stroh*, 60 Cal.App.4th 771, 782, 70 Cal.Rptr.2d 661, 667  
10 (1997). First, the machine or device must be activated by “the insertion of money  
11 or [some] other object.” *Trinkle v. Cal. State Lottery*, 105 Cal.App.4th 1401, 1410,  
12 129 Cal.Rptr.2d 904, 910 (2003). Second, “the operation of the machine [must be]  
13 unpredictable and governed by chance.” *Id.* Third, “by reason of the chance  
14 operation of the machine, the user may become entitled to receive a thing of  
15 value.” *Id.*

16 82. Virtual currency in a mobile game, purchased with real money, has  
17 been found to be the insertion of money or some other object under §330b. *Soto v.*  
18 *Sky Union, LLC*, 159 F.Supp.3d 871, 878-89 (N.D. Ill. 2016) (“This argument  
19 disregards the plain language of section 330b(d), which provides that in addition to  
20 machines or devices that require the insertion of money or coins, the term ‘slot  
21 machine or device’ includes devices that may be operated ‘by any other means.’  
22 Cal. Penal Code § 330b(d). Moreover, it would make little sense to read the broad  
23 language of section 330b(d) to capture game operated by insertion of purchased  
24 physical tokens while excluding game operated by insertion of purchased virtual  
25 gems. For the purpose of determining whether Castle Clash is functionally a slot  
26 machine when players engage in Rolls, it does not matter that gems are imaginary  
27 currency.”).

1 83. Defendants manufacture, repair, own, rent, lease and give away the  
2 slot machines in the Game. Defendants develop the software for the Game.  
3 Defendants provide updates to the Game's software to fix bugs and otherwise  
4 update the Game's slot machines. Defendants offers the Game for free through iOS  
5 and Android mobile storefronts. Defendants own the Game. Defendants provide  
6 the software for the Game to Apple and Google for players to download on their  
7 mobile devices.

8 84. On information and belief, Defendants made or permitted the making  
9 of agreements with other people regarding the Game, including Apple, Google and  
10 players of the Game, by which users of the Game's slot machines, as a result of the  
11 element of hazard or chance or other unpredictable outcome, may become entitled  
12 to receive credit, allowance, or other thing of value or additional chance or right to  
13 use the Game's slot machines.

14 85. The outcomes of the slot machines in the Game are the result of the  
15 element of chance. Depending on the outcome of a slot machine spin in the Game,  
16 a user may receive or lose virtual coins. That outcome is random and not  
17 determined by the player's skill.

18 86. Virtual coins in the Game are a credit, allowance or other thing of  
19 value or an additional chance or right to use the slot machines in the Game.

20 87. On information and belief, the Game is not located upon or are being  
21 transported by a vessel regularly operated and engaged in interstate or foreign  
22 commerce.

23 88. On information and belief, Defendants do not conduct their business  
24 activities with respect to the Game in accordance with the terms of a license issued  
25 by a tribal gaming agency pursuant to the tribal-state gaming compacts entered into  
26 in accordance with the Indian Gaming Regulatory Act (18 U.S.C. Sec. 1166 to  
27 1168, inclusive, and 25 U.S.C. Sec. 2701 et seq.).  
28

1           89. The software for the Game is an apparatus. The software for the Game  
2 also modifies mobile phones devices, such as iPhones and Android devices, into  
3 slot machines as defined by the California Penal Code.

4           90. The Game adapts mobile phones into a device for use in a way that, as  
5 a result of the payment of money for virtual coins, the device is caused to be  
6 operated by reason of an element of chance in which the user may receive or  
7 become entitled to receive a thing of value or additional chance or right to use the  
8 Game's slot machines.

9           91. The Game is an apparatus under §330b. Alternatively, mobile devices  
10 operating the Game are a machine, device or apparatus under §330b. Alternatively,  
11 mobile devices operating the Game together with servers are together a machine,  
12 device or apparatus under §330b.

13           92. The software for the Game modifies mobile phones devices, such as  
14 iPhones and Android devices, into slot machines as defined by the California Penal  
15 Code.

16           93. The Game's software operating on a mobile device, such as an iPhone  
17 or Android smartphone, is a machine, device or apparatus.

18           94. In order to download the Game onto their mobile devices, users must  
19 interact with the hardware features of their mobile devices, including using the  
20 touch screen and hard buttons to enter account information, password pin code and  
21 other button sequences required to confirm and execute the download.

22           95. Further, in order to make purchases within the Game, users must  
23 interact with the hardware elements of their phones, including the touchscreen and  
24 hard buttons. Users must enter payment information into their mobile devices  
25 using hardware features, including a keyboard. Users must also enter a password or  
26 pin code, press buttons and provide other identifying information through their  
27  
28

1 phone's hardware elements, such as the keyboard, camera or fingerprint reader, in  
2 order to purchase virtual coins from the Game.

3 96. The Game is downloaded onto users' devices through servers owned,  
4 operated and/or controlled by Defendants. These servers have hardware  
5 components. When a user plays the Games through their mobile device, servers  
6 owned, operated and/or controlled by Defendants communicate with the user's  
7 mobile device. That communication between the servers owned, operated and/or  
8 controlled by Defendants and a user's mobile device takes place through hardware,  
9 including routers, switches, cables, and cell phone towers. Communication with  
10 the servers owned, operated or controlled by Defendants is required in order to  
11 provide users with the slot machines in the Game, update and repair the slot  
12 machines in the Game, complete purchases of virtual coins used to play the slot  
13 machines in the Game and to record players' balance of virtual coins needed to  
14 play the slot machines in the Game.

15 97. Users operate the Game through the hardware features of their mobile  
16 device, including the touch screen.

17 98. The Game adapts mobile phones into a device for use in a way that, as  
18 a result of the payment of money for virtual coins, the device is caused to be  
19 operated by reason of an element of chance in which the user may receive or  
20 become entitled to receive a thing of value or additional chance or right to use the  
21 Game.

22 99. California Penal Code §319 provides: "A lottery is any scheme for the  
23 disposal or distribution of property by chance, among persons who have paid or  
24 promised to pay any valuable consideration for the chance of obtaining such  
25 property or a portion of it, or for any share or any interest in such property, upon  
26 any agreement, understanding, or expectation that it is to be distributed or disposed  
27 of by lot or chance, whether called a lottery, raffle, or gift enterprise, or by  
28

1 whatever name the same may be known." The Game is an illegal lottery as defined  
2 by California Penal Code 319. Cal. Penal Code §§319, 322, 323, 326.

3 100. The Game is a scheme for the disposal or distribution of property by  
4 chance among persons who have paid valuable consideration for the chance of  
5 obtaining such property. Specifically, players of the Game spend money to buy  
6 virtual coins. The Game disposes of those virtual coins by chance.

7 101. The virtual coins in the Game are "property" under §319. Section 7 of  
8 the Penal Code provides that "the word 'property' includes both real and personal  
9 property" and "the words 'personal property' include money, goods, chattels, things  
10 in action, and evidences of debt." These definitions are not exclusive of anything  
11 else properly coming within the terms defined. "A thing in action is a right to  
12 recover money or other personal property by a judicial proceeding." Civil Code,  
13 §953. "Property" is further defined in the Civil Code as a "thing of which there  
14 may be ownership." Civil Code, §654. There may be ownership, among other  
15 things, "of all obligations." Civil Code, §655. "An obligation is a legal duty by  
16 which a person is bound to do or not to do a certain thing." Civ. Code §1427. An  
17 obligation may arise from contract. Civ. Code §1428.

18 102. Defendants' duty as the operators of the Game is to permit users to  
19 play further games in exchange for virtual coins. This is an obligation arising from  
20 contract and the right of the player in the matter is personal property and a thing in  
21 action. Cal. Civ. Code §663, §953.

22 103. On information and belief, Defendants receives money, directly or  
23 indirectly, from the Game.

24 104. The Ninth Circuit has found that virtual coins used to play mobile  
25 casino games similar to those in the Games constitute a thing of value under  
26 Washington's gambling law. *Kater v. Churchill Downs Inc.*, 886 F.3d 784, 787  
27 (9th Cir. 2018). California courts have held that a reward of extended play by a  
28



1 video game for winning is a thing of value within the meaning of the Penal Code  
2 definition. *See Merandette v. City & Cty. of San Francisco*, 88 Cal.App.3d 105,  
3 114, 151 Cal.Rptr. 580, 586 (1979).

4 105. To the extent the Game operating on mobile devices in connection to  
5 servers is not an illegal slot machines or that the Game does not include an illegal  
6 lottery, the Game violates California Penal Code §337j as unlicensed controlled  
7 games. California Penal Code § 337j(a) provides:

8 (a) It is unlawful for any person, as owner, lessee, or employee, whether  
9 for hire or not, either solely or in conjunction with others, to do any of  
10 the following without having first procured and thereafter maintained  
11 in effect all federal, state, and local licenses required by law:

12 (1) To deal, operate, carry on, conduct, maintain, or expose for play in  
13 this state any controlled game.

14 (2) To receive, directly or indirectly, any compensation or reward or  
15 any percentage or share of the revenue, for keeping, running, or  
16 carrying on any controlled game.

17 (3) To manufacture, distribute, or repair any gambling equipment  
18 within the boundaries of this state, or to receive, directly or indirectly,  
19 any compensation or reward for the manufacture, distribution, or repair  
20 of any gambling equipment within the boundaries of this state.

21 106. On information and belief, Defendants have not procured and  
22 thereafter maintained in effect all federal, state, and local licenses required by law  
23 to operate a controlled game.

24 107. Defendants operates, carries on, conducts, maintains and exposes for  
25 play in California a controlled game through the Game. Defendants receives,  
26 directly or indirectly, compensation or reward of the revenue for keeping, running  
27 and carrying on the Game. Defendants manufacture, distribute and repair the Game  
28



1 within the boundaries of California.

2 108. California Penal Code §337j(e)(1) states that "[a]s used in this section,  
3 'controlled game' means any poker or Pai Gow game, and any other game played  
4 with cards or tiles, or both, and approved by the Department of Justice, and any  
5 game of chance, including any gambling device, played for currency, check, credit,  
6 or any other thing of value that is not prohibited and made unlawful by statute or  
7 local ordinance." *Id.* (emphasis added).

8 109. To the extent the Game operating on mobile devices is not illegal  
9 under California's Penal Code (including §330b and §319), the Game is a  
10 controlled game under §337j(e)(1), because they are a game of chance played for  
11 credit or a thing of value not prohibited and made unlawful by statute of local  
12 ordinance.

13 110. The virtual coins in the Game are a credit to continue playing the slot  
14 machines. The virtual coins in the Game are also a thing of value as held in *Kater*.

15 111. Certain courts have found that in-game purchases in free-to-play  
16 mobile games that sell "loot boxes" are not things of value under California law,  
17 because the loot boxes and the virtual items they contain merely enhance gameplay  
18 and have no value outside of the game itself. *See, e.g. Soto v. Sky Union, LLC*, 159  
19 F.Supp.3d 871 (N.D.Ill. 2016); *Mai v. Supercell OY*, Case No. 20-cv-05573-EJD,  
20 Doc. 62 (N.D.Cal. Jan. 3, 2023); *Coffee v. Google LLC*, No. 20-cv-03901, 2022  
21 WL 94986, at \*9 (N.D. Cal. Jan. 10, 2022); *Taylor v. Apple, Inc.*, No. 20-cv-  
22 03906-RS, 2022 WL 35601, at \*2 (N.D. Cal. Jan. 4, 2022). In these cases, the  
23 courts found the virtual items in the loot boxes were not things of value, because  
24 they were not used to extend gameplay, but rather were mere enhancements to  
25 game that were truly free to play in an unlimited way.

26 112. The virtual coins at issue here in the Game are distinguishable from  
27 those cases, because the virtual coins in the Game are used for players to extend  
28

1 their gameplay. In *Soto*, *Mai*, *Coffee* and *Taylor*, the underlying gameplay was  
2 playable without any purchase. The purchases at issue were for randomized packs  
3 of virtual goods (loot boxes) that were not needed to play the games, but merely  
4 provided virtual goods that enhanced the gameplay. Further, those games were  
5 ones of skill with the purported game of chance being a secondary feature.

6 113. In contrast, the Game here has a primary gameplay mechanic that is  
7 itself a game of chance - slot machines. The purchase of virtual coins is used to  
8 extend that gameplay, not merely to enhance it. For these reasons, the Ninth  
9 Circuit *Kater* decision is more applicable than the District Court decisions in *Soto*,  
10 *Mai*, *Coffee* and *Taylor*. Therefore, the virtual coins here are things of value and  
11 provide an additional chance to play the Game's slot machines.

12 114. For these same reasons, the Game violates other California gambling  
13 laws as set forth below.

14 115. In addition to being used to extend gameplay, the coins in the Game  
15 are things of value under California law.

16 116. The Game is advertised and distributed through the App Store and  
17 Play Store alongside other social casino games that do not violate California  
18 gambling laws.

19 117. The Game's descriptions in these advertisements and storefronts do  
20 not disclose that they violate California's or other state's gambling laws. Plaintiffs  
21 and other consumers reasonably rely on this omission to believe that the Game  
22 offers services that comply with the applicable laws. This belief is a material factor  
23 in their decision to download and play the Game, as opposed to another social  
24 casino game that does comply with gambling laws.

25  
26 **The Game's Advertisements Violate The Law**

27 118. Defendants' advertising of virtual coins in the Game violates 16 CFR  
28 §233.1(a) because the stricken deals displayed are not "actual, bona fide price at

1 which the article was offered to the public on a regular basis for a reasonably  
2 substantial period of time.” Rather, the stricken coin values in the purported sale  
3 offered in the Game’s store are “fictitious.” The false strikethrough ads promote a  
4 false bargain where “the purchaser is not receiving the unusual value he expects.”

5 119. These advertisements are also violative of Cal. Bus. & Prof. Code  
6 §17501, because the stricken coin values and dollar amounts were not “the  
7 prevailing market price ... within three months next immediately preceding the  
8 publication of the advertisement.” Nor do the sale offers “clearly, exactly and  
9 conspicuously state[] in the advertisement” when such former prices were  
10 prevailing.

11 120. The effectiveness of Defendants’ deceitful advertising scheme is  
12 supported by longstanding scholarly research. In the seminal article entitled  
13 *Comparative Price Advertising: Informative or Deceptive?* (cited in *Hinojos v.*  
14 *Kohl’s Corp.*, 718 F.3d 1098, 1106 (9th Cir. 2013), Professors Dhruv Grewal and  
15 Larry D. Compeau write that, “[b]y creating an impression of savings, the presence  
16 of a higher reference price enhances subjects’ perceived value and willingness to  
17 buy the product.” Dhruv Grewal & Larry D. Compeau, *Comparative Price*  
18 *Advertising: Informative or Deceptive?*, 11 J. Pub. Pol’y & Mktg. 52, 55 (Spring  
19 1992). Thus, “empirical studies indicate that, as discount size increases,  
20 consumers’ perceptions of value and their willingness to buy the product increase,  
21 while their intention to search for a lower price decreases.” *Id.* at 56 (emphasis  
22 added). For this reason, the Ninth Circuit in *Hinojos* held that a plaintiff making a  
23 claim of deceptive pricing (strikingly similar to the claim at issue here) had  
24 standing to pursue his claim against the defendant retailer. In doing so, the Court  
25 observed that “[m]isinformation about a product’s ‘normal’ price is . . . significant  
26 to many consumers in the same way as a false product label would be.” *Hinojos*,  
27 718 F.3d at 1106.  
28

1 121. Professors Compeau and Grewal reached similar conclusions in a  
2 2002 article: “decades of research support the conclusion that advertised reference  
3 prices do indeed enhance consumers’ perceptions of the value of the deal.” Dhruv  
4 Grewal & Larry D. Compeau, *Comparative Price Advertising: Believe It Or Not*, J.  
5 of Consumer Affairs, Vol. 36, No. 2, at 287 (Winter 2002). The professors also  
6 found that “[c]onsumers are influenced by comparison prices even when the stated  
7 reference prices are implausibly high.” *Id.* (emphasis added).

8 122. In another scholarly publication, Professors Joan Lindsey-Mullikin  
9 and Ross D. Petty concluded that “[r]eference price ads strongly influence  
10 consumer perceptions of value . . . . Consumers often make purchases not based on  
11 price but because a retailer assures them that a deal is a good bargain. This occurs  
12 when . . . the retailer highlights the relative savings compared with the prices of  
13 competitors . . . [T]hese bargain assurances (BAs) change consumers’ purchasing  
14 behavior and may deceive consumers.” Joan Lindsey-Mullikin & Ross D. Petty,  
15 *Marketing Tactics Discouraging Price Search: Deception and Competition*, 64 J.  
16 of Bus. Research 67 (January 2011).

17 123. Similarly, according to Professors Praveen K. Kopalle and Joan  
18 Lindsey-Mullikin, “research has shown that retailer-supplied reference prices  
19 clearly enhance buyers’ perceptions of value” and “have a significant impact on  
20 consumer purchasing decisions.” Praveen K. Kopalle & Joan Lindsey-Mullikin,  
21 *The Impact of External Reference Price On Consumer Price Expectations*, 79 J. of  
22 Retailing 225 (2003).

23 124. The results of a 1990 study by Professors Jerry B. Gotlieb and Cyndy  
24 Thomas Fitzgerald, came to the conclusion that “reference prices are important  
25 cues consumers use when making the decision concerning how much they are  
26 willing to pay for the product.” Jerry B. Gotlieb & Cyndy Thomas Fitzgerald, *An*  
27 *Investigation Into the Effects of Advertised Reference Prices On the Price*  
28

1 *Consumers Are Willing To Pay For the Product*, 6 J. of App'd Bus. Res. 1 (1990).  
2 This study also concluded that “consumers are likely to be misled into a  
3 willingness to pay a higher price for a product simply because the product has a  
4 higher reference price.” *Id.*

5 125. The unmistakable inference to be drawn from this research and the  
6 Ninth Circuit’s opinion in *Hinojos* is that the deceptive advertising through the use  
7 of false references employed here by Defendants is intended to, and does in fact,  
8 influence customer behavior—as it did Plaintiffs’ purchasing decisions here—by  
9 artificially inflating customer perceptions of a given item’s value and causing  
10 customers to spend money they otherwise would not have, purchase items they  
11 otherwise would not have, and/or spend more money than they otherwise would  
12 have absent the deceptive advertising.

13 126. On information and belief, the Game and the false advertising  
14 presented to new users are designed to trap players in what is referred to in  
15 academia as a “compulsion loop.” A compulsion loop is defined as habitual  
16 behavior that a human will repeat to gain a neurochemical reward: a feeling of  
17 pleasure and/or a relief from pain. Not doing the behavior causes discomfort.  
18 *Compulsion Loops: Compulsive Behavior As Mass Media* by Adam Crowe and  
19 Richard Buchanon (available at  
20 <https://www.slideshare.net/adamcrowe/compulsion-loops#btnNext>).  
21

22 127. On information and belief, mobile games such as Tycoon Casino  
23 maximize their profits by inducing players to enter into a compulsion loop. The  
24 Game here engages in misleading value and price comparison advertising to induce  
25 players into entering a compulsion loop of spending early in their interaction with  
26 the Game.

27 128. On information and belief, once games such as Tycoon Casino are  
28 successful at deceiving users into believing they are receiving outsized values,

1 those users are more likely to continue maintaining that belief despite evidence to  
2 the contrary. Man-Pui Sally Chan, et al, *Debunking: A Meta-Analysis of the*  
3 *Psychological Efficacy of Messages Countering Misinformation*, 28 Psychol. Sci.  
4 1531, 1531 (2017), <https://cite.law/U5QS-2NF4> (meta-analysis focusing on “false  
5 beliefs ... [that] occur when the audience initially believes misinformation and that  
6 misinformation persists or continues to exert psychological influence after it has  
7 been rebutted”).

8 129. Another cognitive bias exploited by the Game is known as “sunk  
9 cost” bias. Sunk cost bias describes a decision-making heuristic where an  
10 individual escalates his or her commitment to a previously chosen, but  
11 unsuccessful course of action to justify the prior “investments” in purchasing  
12 coins. Thus, but inducing players into making purchases in the Game through  
13 deceptive advertisements, Defendants creates a higher likelihood that those players  
14 will be committed to the Game and continue spending money in the Game.

15 130. A phenomenon known as “chasing” (continuing to gamble to recoup  
16 losses) is “one of the central characteristics of pathological gamblers.” Chasing is  
17 “widely regarded as a defining feature in disordered gambling,” is “the most  
18 commonly endorsed item in screening tools for disordered gambling,” and its  
19 presence “establishes and maintains a downward spiral of negative consequences  
20 for the gambler’s finances, relationships, and mental well-being.” Ke Zhang and  
21 Luke Clark, *Loss-chasing in gambling behaviour: neurocognitive and behavioural*  
22 *economic perspectives*, Current Opinion in Behavioral Sciences, 31:1-7 (Feb.  
23 2020). Therefore, by inducing players into making early purchases in the Game  
24 through misleading sale advertisements, the Game increases impact of its gambling  
25 mechanics to push players into an addictive “chasing” phenomenon.

26 131. Further, by creating a false sense of urgency in their shops’ sale  
27 offers, the Game increases the likelihood that players will make an impulse  
28

1 purchase.

2 **APPLICABLE LAW**

3 132. Mr. Molloy is a citizen and resident of Los Angeles County,  
4 California. He downloaded and played Tycoon Casino in California. He made  
5 purchases from Tycoon Casino in California. His purchases were processed by  
6 Apple, an entity headquartered in California.

7 133. California's substantive laws may be constitutionally applied to the  
8 claims of Plaintiffs under the Due Process Clause, 14<sup>th</sup> Amend. §1, and the Full  
9 Faith and Credit Clause, Art. IV §1 of the U.S. Constitution. California has  
10 significant contacts, or significant aggregation of contacts, to the claims asserted  
11 by Plaintiffs, thereby creating state interests that ensure that the choice of  
12 California state law is not arbitrary or unfair.

13 134. The application of California laws is also appropriate under  
14 California's choice of law rules because California has significant contacts to the  
15 claims of Plaintiffs, and California has a greater interest in applying its laws here  
16 than any other interested state.

17 135. California law may be used on a class-wide basis, because the  
18 interests of other states do not outweigh California's interest in having its law  
19 applied.

20 136. California has a unique interest in having its laws apply to this case,  
21 including to non-residents. The Game is distributed primarily through the Apple  
22 and Google mobile stores. These mobile stores are owned and operated by Apple  
23 and Google, both companies having headquarters in California. On information  
24 and belief, in distributing its Games through the Apple and Google stores,  
25 Defendants entered into developer agreements with Apple and Google governing  
26 the development and distribution of the Games. Those agreements, which  
27 Defendant entered into for the purposes of distributing the Games in the United  
28



1 States apply California law.

2 137. Consumers execute their transaction for the in-game coins in the  
3 Game with Apple and Google payment systems.

4 138. Plaintiffs and other consumers enter into end user agreements with  
5 Apple and Google, which require the application of California law.

6 **CLASS ALLEGATIONS**

7 139. Plaintiff brings this action on behalf of himself and all persons  
8 similarly situated pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal  
9 Rules of Civil Procedure and seeks certification of the following class:

10 All individuals located within the United States who, during the  
11 applicable limitations period, made a purchase of virtual coins in  
12 Tycoon Casino using real-world currency.

13 140. The above-described class of persons shall hereafter be referred to as  
14 the “Class.” The following people are excluded from the Class: (1) any Judge or  
15 Magistrate Judge presiding over this action and members of their families; (2)  
16 Defendant, Defendants’ subsidiaries, parents, successors, predecessors, and any  
17 entity in which the Defendants or their parents have a controlling interest and their  
18 current or former employees, officers and directors; (3) persons who properly  
19 execute and file a timely request for exclusion from the Class; (4) persons whose  
20 claims in this matter have been finally adjudicated on the merits or otherwise  
21 released; (5) Plaintiff’s counsel and Defendants’ counsel; and (6) the legal  
22 representatives, successors, and assigns of any such excluded persons.

23 141. In the alternative, Plaintiff seeks certification of the following class  
24 pursuant to Rule 23(b)(2), 23(b)(3), and 23(c)(4) of the Federal Rules of Civil  
25 Procedure:  
26  
27  
28



1 All individuals located within the State of California who, during  
2 the applicable limitations period, made a purchase of virtual coins  
3 in Tycoon Casino using real-world currency.

4 142. The above-described class of persons shall hereafter be referred to as  
5 the “California Class.” The following people are excluded from the Class: (1) any  
6 Judge or Magistrate Judge presiding over this action and members of their  
7 families; (2) Defendants, Defendants’ subsidiaries, parents, successors,  
8 predecessors, and any entity in which the Defendants or their parents have a  
9 controlling interest and their current or former employees, officers and directors;  
10 (3) persons who properly execute and file a timely request for exclusion from the  
11 Class; (4) persons whose claims in this matter have been finally adjudicated on the  
12 merits or otherwise released; (5) Plaintiff’s counsel and Defendants’ counsel; and  
13 (6) the legal representatives, successors, and assigns of any such excluded persons.

14 143. The Class and California Class are collectively referred to herein as  
15 “Classes.” Plaintiffs reserve the right to expand, limit, modify, or amend the class  
16 definitions stated above, including the addition of one or more subclasses, in  
17 connection with his motion for class certification, or at any other time, based upon,  
18 among other things, changing circumstances, or new facts obtained during  
19 discovery.

20 144. This case is appropriate for class treatment because Plaintiffs can  
21 prove the elements of her claims on a class-wide basis using the same evidence as  
22 would be used to prove those elements in individual actions alleging the same  
23 claims.

24 145. **Adequacy.** Plaintiffs will fairly and adequately represent and protect  
25 the interests of the other members of the Classes. Plaintiffs have retained counsel  
26 with substantial experience in prosecuting complex litigation and class actions.  
27 Plaintiffs and their counsel are committed to vigorously prosecuting this action on  
28

1 behalf of the other members of the Classes, and have the financial resources to do  
2 so. Neither Plaintiffs nor their counsel have any interest adverse to those of the  
3 other members of the Classes.

4 146. **Numerosity.** The members of the Classes are so numerous that  
5 joinder of all members would be unfeasible and not practicable. The membership  
6 of the Classes is unknown to Plaintiffs at this time; however, it is estimated the  
7 Classes number in the hundreds, if not thousands. The identity of such membership  
8 is readily ascertainable via inspection of Defendant's or third-party books and  
9 records or other approved methods. Similarly, Members of the Classes may be  
10 notified of the pendency of this action by mail, email, internet postings, social  
11 media, publications and/or in-game messaging.

12 147. **Common Questions of Law or Fact:** There are common questions of  
13 law and fact as to Plaintiffs and all other similarly situated persons, which  
14 predominate over questions affecting only individual class members, including,  
15 without limitation:

16 a. Whether the Game violates California's gambling laws;  
17 b. Whether Defendants engaged in the conduct alleged in the Complaint;  
18 c. Whether Defendants violated the applicable statutes alleged herein;  
19 d. Whether Defendants designed, advertised, marketed, distributed, sold,  
20 or otherwise placed the Game into the stream of commerce in the United States  
21 and California;

22 e. Whether Defendants engaged in conduct directed to the State of  
23 California;

24 f. Whether the Game's presentation of stricken values in its advertising  
25 of in-game purchases are misleading to a reasonable consumer;

26 g. Whether Plaintiff and members of the Classes were injured and  
27 harmed directly by the Game;  
28

1 h. Whether Plaintiff and members of the Classes were injured and  
2 harmed directly by the Game's false advertising;

3 i. Whether Plaintiff and members of the Classes are entitled to damages  
4 due to Defendants' conduct as alleged in this Complaint, and if so, in what  
5 amounts;

6 j. Whether Plaintiff and members of the Classes are entitled to equitable  
7 relief, including, but not limited to, restitution or injunctive relief as requested in  
8 this Complaint.

9 148. **Typicality:** Plaintiff's claims are typical of the claims of the other  
10 members of the Classes because, among other things, Plaintiff and all members of  
11 the Classes were comparably injured through Defendants' misconduct described  
12 above. As alleged herein, Plaintiffs, like the members of the Classes, made  
13 purchases they would not have otherwise made and were deprived of monies that  
14 rightfully belonged to them by Defendants. Further, there are no defenses  
15 available to Defendants that are unique to Plaintiffs.

16 149. **Superiority:** The nature of this action and the laws available to  
17 Plaintiff and members of the Classes make the class action format a particularly  
18 efficient and appropriate procedure to redress the violations alleged herein. If each  
19 class member were required to file an individual lawsuit, Defendants would  
20 necessarily gain an unconscionable advantage since it would be able to exploit and  
21 overwhelm the limited resources of each individual plaintiff with its vastly superior  
22 financial and legal resources. Moreover, the prosecution of separate actions by the  
23 individual class members, even if possible, would create a substantial risk of  
24 inconsistent or varying verdicts or adjudications with respect to the individual class  
25 members against Defendants, and which would establish potentially incompatible  
26 standards of conduct for Defendant and/or legal determinations with respect to  
27 individual class members which would, as a practical matter, be dispositive of the  
28

1 interest of the other class members not parties to adjudications or which would  
2 substantially impair or impede the ability of the class members to protect their  
3 interests. Further, the claims of the individual members of the Classes are not  
4 sufficiently large to warrant vigorous individual prosecution considering all of the  
5 concomitant costs and expenses attending thereto.

6 **FIRST CLAIM FOR RELIEF**  
7 **Violation of California’s Unfair Competition Law (“UCL”)**  
8 **Cal. Bus. & Profession Code §17200 *et seq.***  
9 **Illegal Gambling Against**

10 150. Plaintiff incorporates by reference all allegations in this Complaint  
11 and restates them as if fully set forth herein.

12 151. Plaintiff brings this claim for relief on behalf of himself and all  
13 Classes.

14 152. The UCL defines unfair business competition to include any  
15 “unlawful, unfair or fraudulent” act or practice, as well as any “unfair, deceptive,  
16 untrue or misleading” advertising. Cal. Bus. & Prof. Code §17200.

17 153. A business act or practice is “unlawful” under the UCL if it violates  
18 any other law or regulation.

19 154. As a result of engaging in the conduct alleged in this Complaint,  
20 Defendant has violated the UCL’s proscription against engaging in “unlawful”  
21 conduct by virtue of its violations of the following laws:

22 **(a) California’s Gambling Control Act (Cal. Bus. & Prof. Code §§**  
23 **19800, *et seq.*):** Sections 19801 and 19850 of the Gambling Control  
24 Act provide that unless licensed, state law prohibits commercially  
25 operated gambling facilities; that no new gambling establishment may  
26 be opened except upon affirmative vote of the electors; that all  
27 gambling operations and persons having significant involvement  
28 therein shall be licensed, registered, and regulated; and that all persons

involved in dealing, operating, carrying on, conducting, maintaining or exposing for play any gambling game shall apply for and obtain a valid state gambling license. The Game and their coins constitute a “gambling game” because they are a “controlled game,” which is “any game of chance, including any gambling device...played for currency, check, credit, or any other thing of value that is not prohibited and made unlawful by statute or local ordinance.” Cal. Penal Code § 337j(1). As alleged herein, Defendant operates, carries on, conducts, maintains, and exposes for play gambling activities. On information and belief, Defendant has not applied for or obtained any state gambling license, and therefore violates California’s Gambling Control Act.

**(b) California Penal Code § 330a:** Titled “Possession or keeping of slot or card machine or card dice,” section 330a declares that “[e]very person, who has in his or her possession or under his or her control...or who permits to be placed, maintained, or kept in any room, space, inclosure, or building owned, leased, or occupied by him or her, or under his or her management or control, any slot or card machine, contrivance, appliance or mechanical device, upon the result of action of which money or other valuable thing is staked or hazarded, and which is operated, or played, by placing or depositing therein any coins, checks, slugs, balls, or other articles or device, or in any other manner and by means whereof, or as a result of the operation of which any merchandise, money, representative or articles of value, checks, or tokens, redeemable in or exchangeable for money or any other thing of value, is won or lost, or taken from or obtained from the machine, when the result of action or operation of the

1 machine, contrivance, appliance, or mechanical device is dependent  
2 upon hazard or chance...is guilty of a misdemeanor.” Defendant  
3 violates section 330a because as alleged, Defendant possesses or  
4 permits illegal slot machines where tokens or things of value are won  
5 or lost upon chance.

6 **(c) California Penal Code § 330b:** Titled “Possession or keeping of  
7 slot machines or devices,” section 330b declares that “[i]t is unlawful  
8 for any person to manufacture, repair, own, store, possess, sell, rent,  
9 lease, let on shares, lend or give away, transport, or expose for sale or  
10 lease, or to offer to repair, sell, rent, lease, let on shares, lend or give  
11 away, or permit the operation, placement, maintenance, or keeping of,  
12 in any place, room, space, or building owned, leased, or occupied,  
13 managed, or controlled by that person, any slot machine or device, as  
14 defined in this section.” It is also “unlawful for any person to make or  
15 permit the making of an agreement with another person regarding any  
16 slot machine or device, by which the user of the slot machine or  
17 device, as a result of the element of hazard or chance or other  
18 unpredictable outcome, may become entitled to receive money, credit,  
19 allowance, or other thing of value or additional chance or right to use  
20 the slot machine or device...” As alleged, Defendant makes, repairs,  
21 owns and gives away the Games’ slot machines. Further, as alleged,  
22 Defendant has made agreements with its subsidiaries, Apple, Google,  
23 Plaintiffs, members of the Classes and others regarding slot machines  
24 or devices and permits the operation, placement, maintenance, or  
25 keeping of a slot machine or device as defined by Penal Code §  
26 330b(d).  
27

28 **(d) California Penal Code §§ 330.1 et seq.:** Titled “Manufacture,

possession, or disposition of slot machines or device,” section 330.1(a) declares that “Every person who manufactures, owns, stores, keeps, possesses, sells, rents, leases, lets on shares, lends or gives away, transports, or exposes for sale or lease, or offers to sell, rent, lease, let on shares, lend or give away or who permits the operation of or permits to be placed, maintained, used, or kept in any room, space, or building owned, leased, or occupied by him or her or under his or her management or control, any slot machine or device as hereinafter defined, and every person who makes or permits to be made with any person any agreement with reference to any slot machine or device as hereinafter defined, pursuant to which agreement the user thereof, as a result of any element of hazard or chance, may become entitled to receive anything of value or additional chance or right to use that slot machine or device, or to receive any check, slug, token, or memorandum, whether of value or otherwise, entitling the holder to receive anything of value, is guilty of a misdemeanor.” Defendant violates section 330.1 because as alleged, Defendant has made agreements with others regarding slot machines or devices, or otherwise possess or permit illegal slot machines or devices where things of value are won as a result of chance “irrespective of whether it may, apart from any element of hazard or chance, also sell, deliver, or present some...entertainment, or other thing of value” (Cal. Penal Code § 330.1(f)). The virtual coins that may be won by paying to play the slot machines in the Games are a “token” or “thing of value” as used in section 330.1 and as defined by section 330.2.

**(e) California Penal Code § 337j(a)(1):** By “operat[ing], carry[ing] on, conduct[ing], maintain[ing], or expos[ing] for play” unlicensed

1 gambling in this state, Defendant violates Penal Code § 337j(a)(1).

2 **(f) California Penal Code § 337j(a)(2):** By “receiv[ing], directly or  
3 indirectly, any compensation or reward or any percentage or share of  
4 the revenue, for keeping, running, or carrying on any controlled  
5 game,” Defendant violates Penal Code § 337j(a)(2).

6 **(g) California Penal Code § 337j(a)(3):** Through the “manufacture,  
7 distribut[ion], or repair [of] any gambling equipment within the  
8 boundaries of this state” or “receiv[ing], directly or indirectly, any  
9 compensation or reward for the manufacture, distribution, or repair of  
10 any gambling equipment within the boundaries of this state”  
11 Defendant violates Penal Code § 337j(a)(3).

12 **(h) California Penal Code §319:** “A lottery is any scheme for the  
13 disposal or distribution of property by chance, among persons who  
14 have paid or promised to pay any valuable consideration for the  
15 chance of obtaining such property or a portion of it, or for any share  
16 or any interest in such property, upon any agreement, understanding,  
17 or expectation that it is to be distributed or disposed of by lot or  
18 chance, whether called a lottery, raffle, or gift enterprise, or by  
19 whatever name the same may be known.” The Games are illegal  
20 lotteries as defined by California Penal Code 319. Cal. Penal Code  
21 §§319, 322, 323, 326.  
22

23 155. Defendants have violated the “unlawful” prong under the UCL.  
24 Defendants have violated the above-identified California Penal Code sections by  
25 making, selling, distributing, entering into agreements relating to and profiting  
26 from the Game. Defendants have further violated the above-identified California  
27 Penal Code sections through the sale of virtual coins in the Game.

28 156. Because Defendants’ profiting from the sale of virtual coins in the



1 Game is illegal, Plaintiff and members of the Classes, who by definition purchased  
2 such illegal virtual coins, have suffered a cognizable harm under UCL.  
3 *Debernardis v. IQ Formulations, LLC*, 942 F.3d 1076, 1086 (11th Cir. 2019);  
4 *Allergan U.S. v. Imprimis Pharm., Inc.*, 2019 U.S. Dist. LEXIS 163228, at \*27 n.9  
5 (C.D. Cal. Mar. 27, 2019); *Franz v. Beiersdorf, Inc.*, 745 F. App'x 47, 48 (9th Cir.  
6 2018)).

7 157. A business act or practice is “unfair” under the UCL if the reasons,  
8 justifications, and motives of the alleged wrongdoer are outweighed by the gravity  
9 of the harm to the alleged victims. A business act or practice is “fraudulent” under  
10 the UCL if it is likely to deceive members of the consuming public.

11 158. The sale of virtual coins in the Game is unfair and fraudulent under  
12 the UCL, because Defendants failed to disclose to Plaintiff and members of the  
13 Classes that the Game is illegal under California’s gambling laws. That omission  
14 was a material factor in Plaintiff’s and class members’ decision to download, play  
15 and expend money purchasing virtual coins in the Game. Had Plaintiff and  
16 members of the Classes known that the Game violated California’s gambling laws,  
17 they would not have begun playing the Game or spending money in the Game.

18 159. As a result of these violations under each of the fraudulent, unfair, and  
19 unlawful prongs of the UCL, Defendants has been unjustly enriched at the expense  
20 of Plaintiff and the putative class members. Specifically, Defendants have been  
21 unjustly enriched by obtaining revenues and profits that they would not otherwise  
22 have obtained absent their false, misleading, and deceptive conduct.

23 160. Plaintiff enjoys playing mobile games and is continuously in the  
24 market for lawful mobile games. As such, he is likely to continue to encounter  
25 Defendants’ unlawful Game absent injunctive relief.

26 161. Through its unfair acts and practices, Defendants improperly obtained  
27 money from Plaintiff and members of the Classes. As such, Plaintiff, on behalf of  
28

1 himself and the putative Classes, requests that this Court enjoin Defendants from  
2 continuing to violate the UCL, and/or from violating the UCL in the future.  
3 Otherwise, Plaintiff and members of the Classes may be irreparably harmed and/or  
4 denied an effective and complete remedy if such an order is not granted.

5 **SECOND CLAIM FOR RELIEF**

6 **Violation of California's Unfair Competition Law ("UCL")**  
7 **Cal. Bus. & Profession Code §17200 *et seq.***  
8 **Unlawful, Unfair and Fraudulent Advertising**

9 162. Plaintiff incorporates by reference all allegations in this Complaint  
10 and restates them as if fully set forth herein.

11 163. Plaintiff brings this claim for relief on behalf of himself and all  
12 Classes.

13 164. The UCL defines unfair business competition to include any  
14 "unlawful, unfair or fraudulent" act or practice, as well as any "unfair, deceptive,  
15 untrue or misleading" advertising. Cal. Bus. & Prof. Code §17200.

16 165. A business act or practice is "unlawful" under the UCL if it violates  
17 any other law or regulation.

18 166. A business act or practice is "unfair" under the UCL if the reasons,  
19 justifications, and motives of the alleged wrongdoer are outweighed by the gravity  
20 of the harm to the alleged victims. A business act or practice is "fraudulent" under  
21 the UCL if it is likely to deceive members of the consuming public.

22 167. Defendants have violated the "unlawful" prong under the UCL and  
23 has engaged in "unfair, deceptive, untrue or misleading" advertising.

24 168. The Federal Trade Commission Act prohibits "unfair or deceptive acts  
25 or practices in or affecting commerce" (15 U.S.C. §45(a)(1)) and specifically  
26 prohibits false advertisements. 15 U.S.C. §52(a). FTC Regulations describe false  
27 former pricing schemes-similar to those used in the Game's sale offers in all  
28 material respects-as deceptive practices that would violate the FTC Act.

169. 16 C.F.R. §233.1 states:

- (a) One of the most commonly used forms of bargain advertising is to offer a reduction from the advertiser's own former price for an article. If the former price is the actual, bona fide price at which the article was offered to the public on a regular basis for a reasonably substantial period of time, it provides a legitimate basis for the advertising of a price comparison. Where the former price is genuine, the bargain being advertised is a true one. If, on the other hand, the former price being advertised is not bona fide but fictitious - for example, where an artificial, inflated price was established for the purpose of enabling the subsequent offer of a large reduction - the "bargain" being advertised is a false one; the purchaser is not receiving the unusual value he expects. In such a case, the "reduced" price is, in reality, probably just the seller's regular price.
- (b) A former price is not necessarily fictitious merely because no sales at the advertised price were made. The advertiser should be especially careful, however, in such a case, that the price is one at which the product was openly and actively offered for sale, for a reasonably substantial period of time, in the recent, regular course of his business, honestly and in good faith - and, of course, not for the purpose of establishing a fictitious higher price on which a deceptive comparison might be based. And the advertiser should scrupulously avoid any implication that a former price is a selling, not an asking price (for example, by use of such language as, "Formerly sold at \$ \_\_\_\_"), unless substantial sales at that price were actually made.
- (c) The following is an example of a price comparison based on a fictitious former price. John Doe is a retailer of Brand X fountain pens, which cost him \$5 each. His usual markup is 50 percent over cost; that is, his regular retail price is \$7.50. In order subsequently to offer an unusual "bargain", Doe begins offering Brand X at \$10 per pen. He realizes that he will be able to sell no, or very few, pens at this inflated price. But he doesn't care, for he maintains that price for only a few days. Then he "cuts" the price to its usual level - \$7.50 - and advertises: "Terrific Bargain: X Pens, Were \$10, Now Only \$7.50!" This is obviously a false claim. The advertised "bargain" is not genuine.
- (d) Other illustrations of fictitious price comparisons could be

1 given. An advertiser might use a price at which he never  
2 offered the article at all; he might feature a price which was  
3 not used in the regular course of business, or which was not  
4 used in the recent past but at some remote period in the  
5 past, without making disclosure of that fact; he might use a  
6 price that was not openly offered to the public, or that was  
7 not maintained for a reasonable length of time, but was  
8 immediately reduced.

9 (e) If the former price is set forth in the advertisement, whether  
10 accompanied or not by descriptive terminology such as  
11 “Regularly,” “Usually,” “Formerly,” etc., the advertiser  
12 should make certain that the former price is not a fictitious  
13 one. If the former price, or the amount or percentage of  
14 reduction, is not stated in the advertisement, as when the ad  
15 merely states, “Sale,” the advertiser must take care that the  
16 amount of reduction is not so insignificant as to be  
17 meaningless. It should be sufficiently large that the  
18 consumer, if he knew what it was, would believe that a  
19 genuine bargain or saving was being offered. An advertiser  
20 who claims that an item has been “Reduced to \$9.99,”  
21 when the former price was \$10, is misleading the  
22 consumer, who will understand the claim to mean that a  
23 much greater, and not merely nominal, reduction was being  
24 offered.

25 170. California law also prohibits false former pricing  
26 schemes. Cal. Bus. Code. §17501 entitled “Value determinations;  
27 Former price advertisements,” states:

28 For the purpose of this article the worth or value of anything  
advertised is the prevailing market price, wholesale if the offer  
is at wholesale, retail if the offer is at retail, at the time of  
publication of such advertisement in the locality wherein the  
advertisement is published.

No price shall be advertised as a former price of any advertised  
thing, unless the alleged former price was the prevailing  
market price as above defined within three months next  
immediately preceding the publication of the advertisement or  
unless the date when the alleged former price did prevail is  
clearly, exactly and conspicuously stated in the advertisement.

171. California’s False Advertising Law also prohibits a business from  
“[a]dvertising goods or services with intent not to sell them as advertised,” Cal.

1 Civ. Code §1770(a)(9), and prohibits a business from “[m]aking false or  
2 misleading statements of fact concerning reasons for, existence of, or amounts of  
3 price reductions.” *Id.* §(a)(13).

4 172. The Game’s use of strikethrough graphics and comparative values  
5 violate the unlawful prongs of the UCL, because they violate 16 C.F.R. §233.1,  
6 Cal. Bus. Prof. Code §1750, Cal. Civ. Code §§1770(a)(9) and (a)(13).

7 173. Defendants also violated the “unfair” prong of the UCL by falsely  
8 representing that its consumers received a more coins as compared to a referenced  
9 “original” coin quantity shown in the Game’s store. In fact, Defendants displayed  
10 to users a fictitious stricken reference coin quantity.

11 174. The gravity of the harm to Plaintiff and members of the Classes  
12 resulting from these unfair acts and practices outweighs any conceivable reasons,  
13 justifications, or motives that Defendants may have had for engaging in such  
14 deceptive acts and practices.

15 175. Plaintiff and members of the Classes suffered cognizable harm as a  
16 result of these unfair acts and practices. Plaintiff and members of the Classes  
17 reasonably understood the strikethrough graphics in the Game described herein as  
18 communicating the ordinary, normal, prevailing former value for virtual coins in  
19 the Game. In reality, the stricken values were fictitious. Plaintiff and members of  
20 the Classes reasonably relied on their understanding in their decision to make in-  
21 game purchases in the Game. But for Defendants’ misleading and false advertising  
22 and Plaintiff’s and class members’ reasonable reliance thereon, Plaintiff and  
23 members of the Class would not have made some or all of their purchases in the  
24 Game.

25 176. As a result of these violations under each of the fraudulent, unfair, and  
26 unlawful prongs of the UCL, Defendants have been unjustly enriched at the  
27 expense of Plaintiff and the Classes. Specifically, Defendants have been unjustly  
28

1 enriched by obtaining revenues and profits that it would not otherwise have  
2 obtained absent its false, misleading, and deceptive conduct.

3 177. Plaintiff enjoys playing mobile games and is continuously in the  
4 market for lawful mobile games. As such, he is likely to continue to encounter  
5 Defendants' unlawful Game absent injunctive relief.

6 178. Through its unfair acts and practices, Defendants improperly obtained  
7 money from Plaintiff and members of the Classes. As such, Plaintiff, on behalf of  
8 himself and the putative Classes, request that this Court cause Defendants to  
9 restore this money to Plaintiff and the members of the Classes, and to enjoin  
10 Defendants from continuing to violate the UCL, and/or from violating the UCL in  
11 the future. Otherwise, Plaintiff and members of the Classes may be irreparably  
12 harmed and/or denied an effective and complete remedy if such an order is not  
13 granted.

14  
15 **THIRD CLAIM FOR RELIEF**  
16 **Violation of California False Advertising Law ("FAL")**  
17 **Cal. Business & Professional Code §17500 *et seq.***

18 179. Plaintiff incorporate by reference all allegations in this Complaint and  
19 restates them as if fully set forth herein.

20 180. The FAL prohibits unfair, deceptive, untrue, or misleading  
21 advertising, including, but not limited to, false statements as to worth, value, and  
22 former price.

23 181. Furthermore, the FAL provides that: "No price shall be advertised as a  
24 former price of any advertised thing, unless the alleged former price was the  
25 prevailing market price as above defined within three months next immediately  
26 preceding the publication of the advertisement or unless the date when the alleged  
27 former price did prevail is clearly, exactly and conspicuously stated in the  
28 advertisement." Cal. Bus. & Prof. Code §17501.

1 182. The false strikethrough graphics in the Game’s shops misrepresent the  
2 existence of a sale whereby players can allegedly purchase more coins than they  
3 normally could for the same price.

4 183. Plaintiff enjoys playing mobile games and is continuously in the  
5 market for lawful mobile games. As such, he is likely to continue to encounter  
6 Defendants’ unlawful Game absent injunctive relief.

7 184. Through its unfair acts and practices, Defendants have improperly  
8 obtained money from Plaintiff and members of the Classes. As such, Plaintiff, on  
9 behalf of himself and the putative Classes, request that this Court cause Defendants  
10 to restore this money to Plaintiff and the members of the Classes, and to enjoin  
11 Defendants from continuing to violate the FAL, and/or from violating the FAL in  
12 the future. Otherwise, Plaintiff and members of the Classes may be irreparably  
13 harmed and/or denied an effective and complete remedy if such an order is no  
14 granted.

15 **FIFTH CLAIM FOR RELIEF**

16 **Violation of the California Consumer Legal Remedies Act (“CLRA”)**  
17 **Cal. Civ. Code. §1750 *et seq.***  
18 **Illegal Gambling**

19 185. Plaintiff incorporates by reference all allegations in this Complaint  
20 and restate them as if fully set forth herein.

21 186. Plaintiff and members of the Classes are consumers within the  
22 meaning of Cal. Civ. Code §1761(d) and have engaged in a transaction within the  
23 meaning of Cal. Civ. Code §§1761(e) and 1770.

24 187. Defendants are each a “person” within the meaning of Cal. Civ. Code  
25 §§1761(c) and 1770 and sells “goods or services” within the meaning of Cal. Civ.  
26 Code §§1761(b) and 1770.

27 188. The Game is a “service” within the meaning of Cal. Civ. Code.  
28 §§1761(a) and (b). Specifically, the Game provides online gaming services. The



1 purchase of in-game coins for the Game is a transaction for accessing those  
2 services. The purpose of the in-game coins is to access the gameplay services  
3 offered by the Game and the purchase of in-game coins is at times necessary to  
4 access those services.

5 189. By engaging in the conduct described herein, Defendants have  
6 violated subdivision (a)(14) of California Civil Code §1770 by: “Representing that  
7 a transaction confers or involves rights, remedies, or obligations that it does not  
8 have or involve, or that are prohibited by law.” Under this provision, omissions are  
9 actionable.

10 190. Defendants have advertised the Game while omitting that the Game  
11 are engaged in illegal gambling.

12 191. By engaging in the conduct described herein, Defendant has also  
13 violated subdivision (a)(26) of California Civil Code §1770 by “Advertising,  
14 offering for sale, or selling a financial product that is illegal under state or federal  
15 law....”

16 192. Defendants advertise the Game and their illegal financial products on  
17 its website, through social media and through the App Store and Play Store.  
18 Defendants also advertise, offer for sale and sell virtual coins in the Game that are  
19 illegal financial products.

20 193. Defendants violated the CLRA by representing to or omitting from  
21 Plaintiff and members of the Classes that the transactions involving virtual coins in  
22 the Game confer or involve rights to potentially valuable prizes, when in fact these  
23 transactions constitute unlawful gambling transactions that are prohibited by law,  
24 foster compulsive and addictive behavior, and are a predatory form of duplicitously  
25 profiting from others. These omissions are material because a reasonable consumer  
26 would deem them important in determining how to act in the transaction at issue  
27 and, if prohibited by law, should not have been permitted to purchase virtual coins.  
28

1 Further, the omissions about virtual coins are misleading in light of other facts that  
2 Defendants did disclose.

3 194. Defendants' violations of the CLRA proximately caused injury in fact  
4 to Plaintiff and the members of the Classes.

5 195. Plaintiff and the members of the Classes transacted with the Game on  
6 the belief that the transaction was lawful. Indeed, a reasonable consumer believes  
7 in the lawfulness of his or her transactions.

8 196. Plaintiff enjoys playing mobile games and is continuously in the  
9 market for lawful mobile games. As such, he is likely to continue to encounter  
10 Defendants' unlawful Game absent injunctive relief.

11 197. Pursuant to Cal. Civ. Code § 1782(d), Plaintiff, individually and on  
12 behalf of the other members of the Classes, seek a Court order enjoining the above-  
13 described wrongful acts and practices of Defendants and attorneys' fees.

14 198. Plaintiff, individually and on behalf of the other members of the Class,  
15 do not seek damages for this claim for relief.  
16

17 **FIFTH CLAIM FOR RELIEF**

18 **Violation of the California Consumer Legal Remedies Act ("CLRA")**  
19 **Cal. Civ. Code. §1750 *et seq.***  
20 **False and Misleading Sales**

21 199. Plaintiff incorporates by reference all allegations in this Complaint  
22 and restate them as if fully set forth herein.

23 200. Plaintiff and members of the Classes are consumers within the  
24 meaning of Cal. Civ. Code §1761(d) and have engaged in a transaction within the  
25 meaning of Cal. Civ. Code §§1761(e) and 1770.

26 201. Defendants are each a "person" within the meaning of Cal. Civ. Code  
27 §§1761(c) and 1770 and sells "goods or services" within the meaning of Cal. Civ.  
28 Code §§1761(b) and 1770.

202. The Game is a "service" within the meaning of Cal. Civ. Code.

1 §§1761(a) and (b). Specifically, Tycoon Casino each provide online gaming  
2 services. The purchase of in-game coins for these Game is a transaction for  
3 accessing those services. The purpose of the in-game coins is to access the  
4 gameplay services offered by the Game and the purchase of in-game coins is  
5 necessary at times to access those services.

6 203. Defendants have violated §1770(a)(13)'s proscription against making  
7 false or misleading statements of fact concerning reasons for, existence of, or  
8 amounts of, price reductions by misrepresenting the existence of discounts for the  
9 purchase of gold coins via false strikethrough ads.

10 204. Plaintiff and the putative Classes suffered actual damages as a direct  
11 and proximate result of Defendants' actions, concealment, and/or omissions in the  
12 advertising, marketing, and promotion of its bait apps, in violation of the CLRA, as  
13 evidenced by the substantial sums Defendants has pocketed.

14 205. Plaintiff enjoys playing mobile games and is continuously in the  
15 market for lawful mobile games. As such, he is likely to continue to encounter  
16 Defendants' unlawful Game absent injunctive relief.

17 206. Plaintiff, on behalf of himself and the Classes, demand judgment  
18 against Defendants for injunctive relief and attorney's fees.

19 207. Plaintiff, individually and on behalf of the other members of the  
20 Classes, do not presently seek damages for this claim, but reserve the right to seek  
21 leave to amend pursuant to §1782(d) to add a claim for relief for damages.

## 22 **SIXTH CLAIM FOR RELIEF**

### 23 **Fraud**

24 208. Plaintiff incorporates by reference all allegations in this Complaint  
25 and restate them as if fully set forth herein.

26 209. Defendants advertised the Game to Plaintiff and members of the  
27 Classes and omitted that the Game violated California's gambling laws.  
28

1           210. Defendants presented the Game publicly as free-to-play “social  
2 casino” games and omitted that the Game provides illegal slot machines under  
3 California.

4           211. These representations and omissions were false because they the  
5 Game violates California’s gambling laws.

6           212. On information and belief, Defendants knew, actually or  
7 constructively, that these representations and omissions were false following the  
8 Ninth Circuit decision in *Kater*.

9           213. These representations and omissions were material to the decision of  
10 Plaintiff and members of the Classes in downloading and playing the Game.

11           214. Plaintiff and members of the Classes reasonably relied on these  
12 representations and omissions in deciding to download and play the Game.

13           215. Had Plaintiff and members of the Classes known the Game was  
14 engaging in illegal gambling, they would not have downloaded and played the  
15 Game.

16           216. Plaintiff and members of the Classes were harmed, because if they had  
17 never downloaded and played the Game they would not have played the Game’s  
18 illegal slot machines, been subjected to the Game’s false advertising, induced into  
19 making purchases of virtual coins and lost those coins to the Game’s slot machines.  
20

21           217. Defendants represented to Plaintiff and members of the Classes that  
22 the stricken coin quantities represented the ordinary, normal and prevailing offer by  
23 the Games.

24           218. These representations were false because the prevailing quantity of  
25 coins was higher than represented by Defendants as a reference quantity.

26           219. Defendants knew these representations were false, because it had  
27 knowledge of and control over the Game’s advertisements and offers for coins.

28           220. Defendants designed the graphical images of the advertisements in a

1 way that intentionally attracted Plaintiff and the members of the Classes to the  
2 enticing but false claims regarding gold amounts.

3 221. Plaintiff and the putative Classes reasonably relied upon the claims  
4 made in the advertisements in deciding to purchase the aforementioned coin  
5 bundles.

6 222. Plaintiff and the putative Classes were harmed because, had Plaintiff  
7 and class members known the claims were false, they would not have made some  
8 or all of those purchases.

9 223. Plaintiff and class members' reliance on Defendants'  
10 misrepresentations in its advertisements was a substantial factor in causing harm to  
11 Plaintiff and the putative Classes.

12 224. Defendants' conduct has therefore caused and is causing immediate  
13 and irreparable injury to Plaintiff and members of the Classes and will continue to  
14 both damage Plaintiff and the Classes and deceive the public unless enjoined by  
15 this Court.

16 225. Plaintiff enjoys playing mobile games and is continuously in the  
17 market for lawful mobile games. As such, he is likely to continue to encounter  
18 Defendants' unlawful Game absent injunctive relief.

19 226. Plaintiff, on behalf of himself and the Classes, demand judgment  
20 against Defendant for damages, injunctive relief, restitution and attorney's fees.  
21

## 22 **SEVENTH CLAIM FOR RELIEF**

### 23 **Negligent Misrepresentation**

24 227. Plaintiff incorporates by reference all allegations in this Complaint  
25 and restate them as if fully set forth herein.

26 228. Defendants advertised the Games to Plaintiffs and members of the  
27 Classes and omitted that the Game violated California's gambling laws.

28 229. Defendants presented the Game publicly as a free-to-play "social

1 casino” game and omitted that the Game provided illegal slot machines under  
2 California law.

3 230. These representations and omissions were false because the Game  
4 violates California’s gambling laws.

5 231. Defendant had a duty to know and should have known that these  
6 representations and omissions were false following the Ninth Circuit decision in  
7 *Kater*.

8 232. These representations and omissions were material to the decision of  
9 Plaintiff and members of the Classes in downloading and playing the Games.

10 233. Plaintiff and members of the Classes reasonably relied on these  
11 representations and omissions in deciding to download and play the Game.

12 234. Had Plaintiff and members of the Classes known the Game was  
13 engaging in illegal gambling, they would not have downloaded and played the  
14 Game.

15 235. Plaintiff and members of the Classes were harmed, because if they had  
16 never downloaded and played the Game they would not have played the Game’s  
17 illegal slot machines, been subjected to the Game’s false advertising, induced into  
18 making purchases of virtual coins and lost those coins to the Game’s slot machines.

19 236. Defendants represented to Plaintiff and members of the Classes when  
20 they began playing the Game that the stricken coin quantities represented the  
21 ordinary, normal and prevailing offer by the Game.

22 237. These representations were false because the prevailing quantity of  
23 coins was higher than represented by Defendant as a reference quantity.

24 238. Defendants knew these representations were false, because it had  
25 knowledge of and control over the Game’s advertisements and offers for coins.

26 239. Defendants designed the graphical images of the advertisements in a  
27 way that intentionally attracted Plaintiff and the members of the Classes to the  
28

1 enticing but false claims regarding gold amounts.

2 240. Plaintiff and the putative Classes reasonably relied upon the claims  
3 made in the advertisements in deciding to purchase the aforementioned coin  
4 bundles.

5 241. Plaintiff and the putative Classes were harmed because, had Plaintiff  
6 and class members known the claims were false, they would not have made some  
7 or all of those purchases.

8 242. Plaintiff and class members' reliance on Defendants'  
9 misrepresentations in its advertisements was a substantial factor in causing harm to  
10 Plaintiff and the putative Classes.

11 243. Defendants' conduct has therefore caused and is causing immediate  
12 and irreparable injury to Plaintiff and members of the Classes and will continue to  
13 both damage Plaintiff and the Classes and deceive the public unless enjoined by  
14 this Court.

15 244. Plaintiff enjoys playing mobile games and is continuously in the  
16 market for lawful mobile games. As such, he is likely to continue to encounter  
17 Defendants' unlawful Game absent injunctive relief.

18 245. Plaintiff, on behalf of himself and the Classes, demand judgment  
19 against Defendants for damages, injunctive relief, restitution and attorney's fees.  
20

21 **PRAYER FOR RELIEF**

22 Plaintiff prays for relief and judgment against Defendants as follows:

- 23 A. Certifying the proposed Classes defined herein;  
24 B. Appointing Plaintiff as Class Representatives;  
25 C. Appointing counsel for Plaintiff as Class Counsel;  
26 D. Declaring Defendants' conduct to be unlawful;  
27 E. Awarding Plaintiff and members of the Classes compensatory damages and  
28 actual damages in an amount to be determined by proof;



- 1 F. Awarding Plaintiff and members of the Classes actual and statutory  
2 damages;  
3 G. Disgorging Defendants of their unjust profits;  
4 H. For punitive damages;  
5 I. For civil penalties;  
6 J. For declaratory and equitable relief, including restitution and disgorgement;  
7 K. For an order enjoining Defendants from continuing to engage in the  
8 wrongful acts and practices alleged herein;  
9 L. Awarding Plaintiff the costs of prosecuting this action, including expert  
10 witness fees;  
11 M. Awarding Plaintiff reasonable attorney's fees and costs as allowable by law;  
12 N. Awarding pre-judgment and post-judgment interest; and  
13 O. Granting any other relief as this Court may deem just and proper.  
14

15 DATED: June 2, 2023

THE RYAN LAW GROUP

17 

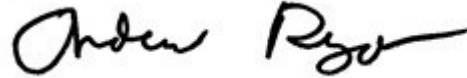
18 \_\_\_\_\_  
19 Andrew T. Ryan  
20 Attorney for Plaintiff  
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**JURY DEMAND**

Plaintiff hereby demands a jury trial on all issues and claims so triable.

DATED: June 2, 2023

THE RYAN LAW GROUP



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Andrew T. Ryan  
Attorney for Plaintiff